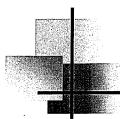


# State of New Hampshire Department of Health and Human Services

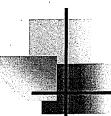
House Finance Committee January20, 2011 Commissioner Nick Toumpas



## Today's Context



- Establish a baseline for discussion
- Acknowledge that current realities are new normal
- Challenge: balance between mission, quality, access, effectiveness and available resources
- Difficult decisions at strategic, policy and operational levels are ahead of us
- Moving from today's realities to a DHHS for the future



### Agenda

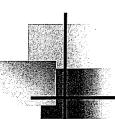


- DHHS Overview
- Current Operations Update
- Preparing for the Future\_Key Issues
- Preparing for the Future\_Strategic Response
- Next Steps
- Q&A



### DHHS Overview

Mission
Organization and Personnel
Target Populations
Spending History
Medicaid Summary
Delivery System



# DHHS Mission & Responsibilities



"To join <u>communities</u> and <u>families</u> in providing <u>opportunities</u> for citizens to achieve <u>health</u> and <u>independence</u>"

- To meet the *health needs* of New Hampshire citizens
- To meet the basic human needs of New Hampshire citizens
- To provide treatment and support services to those who have unique needs including disabilities, mental illness, special health care needs or substance abuse problems
- To *protect* and care for New Hampshire's most vulnerable citizens

A healthier and more independent population will cost us less in the long term



## Guiding Principles

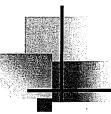


### Services

- Community based
- Client oriented
- Prevention oriented
- Crisis response
- Outcome based

### Operations

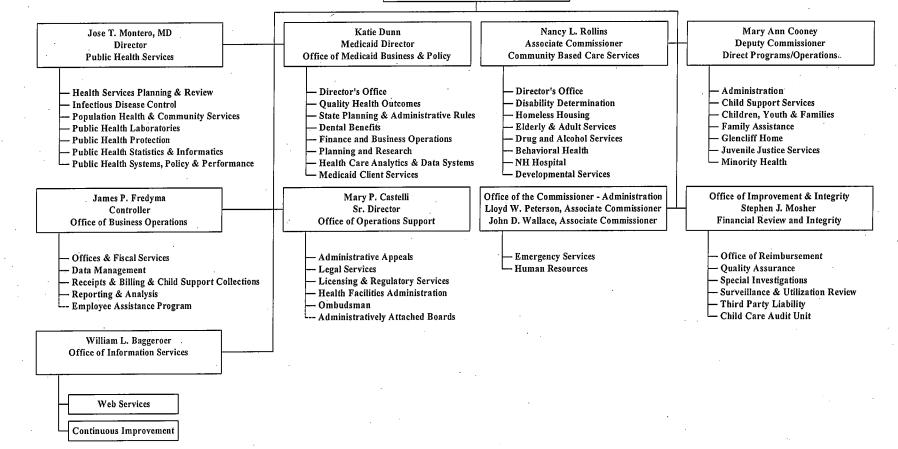
- Fiscal responsibility
- Workforce quality
- Management quality
- Information rich
- Open communications



# Functional Organization



Nicholas A. Toumpas Commissioner

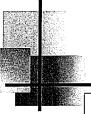




### Department Profile



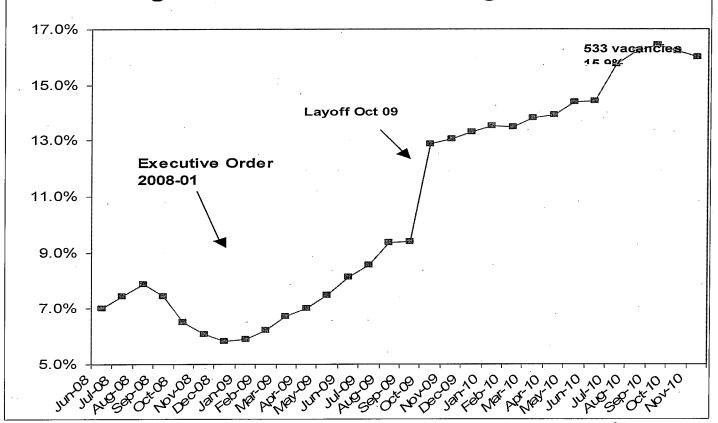
- 3,348 Authorized positions
  - Approximately 60% are in direct care roles
  - Currently have 553 vacancies (12-31-2010)
- 50 locations statewide
  - Operates 4 24x7 facilities
- Hub of several interdependent service delivery systems
  - 14 client focused organizations within DHHS
  - Services delivered via several primary service distribution systems
  - Supported by several thousand other organizations, large and small under contract or as enrolled providers

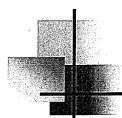


## Personnel Vacancy Rate









### Who We Serve



Children and families are largest in numbers, developmentally disabled and elderly are highest in cost

	SFY10	SFY11	SFY12 Maintenand	SFY13 ce Budget									
Number of Clients													
Mental Health & Substance Abuse	21,182	22,306	23,272	24,027									
Developmental Disabilities	4,154	4,528	4,780	5,032									
Impaired Elderly	7,325	7,414	7,515	7,617									
Children & Families	113,288	118,712	123,865	128,488									
Cost Per (	Client-Total	Funds											
Mental Health & Substance Abuse	\$11,065	\$10,741	\$11,503	\$11,572									
Developmental Disabilities	\$78,741	\$78,369	\$81,729	\$82,852									
Impaired Elderly	\$56,083	\$57,533	\$56,062	\$57,295									
Children & Families	\$4,961	\$5,250	\$5,195	\$5,305									



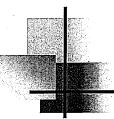
# Number of Clients in Major Services



Caseloads have increased significantly for major services

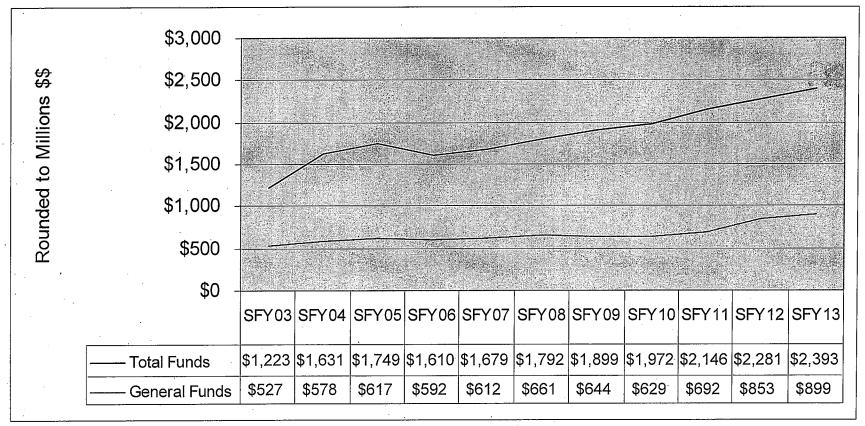
Number of services are entitlements. If applicant qualifies, DHHS is obligated to provide the service

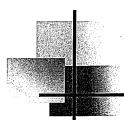
	Α	В	С	D	Е
46		June 2008	June 2009	June 2010	Dec 2010
47					
48	Total Unduplicated Persons	125,565	138,705	150,331	152,991
49	Medicaid Persons	103,133	113,044	119,121	119,845
50	Long Term Care-Elderly	7,037	7,487	7,185	7,270
51	Family Assistance	10,707	13,236	14,181	13,789
52	APTD	6,774	7,758	8,615	8,749
53	Food Stamps	64,564	83,789	108,677	112,293



# Expenditures (Millions \$\$)



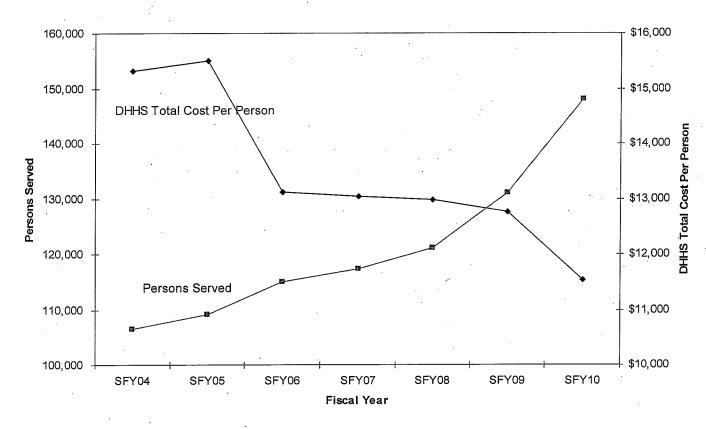


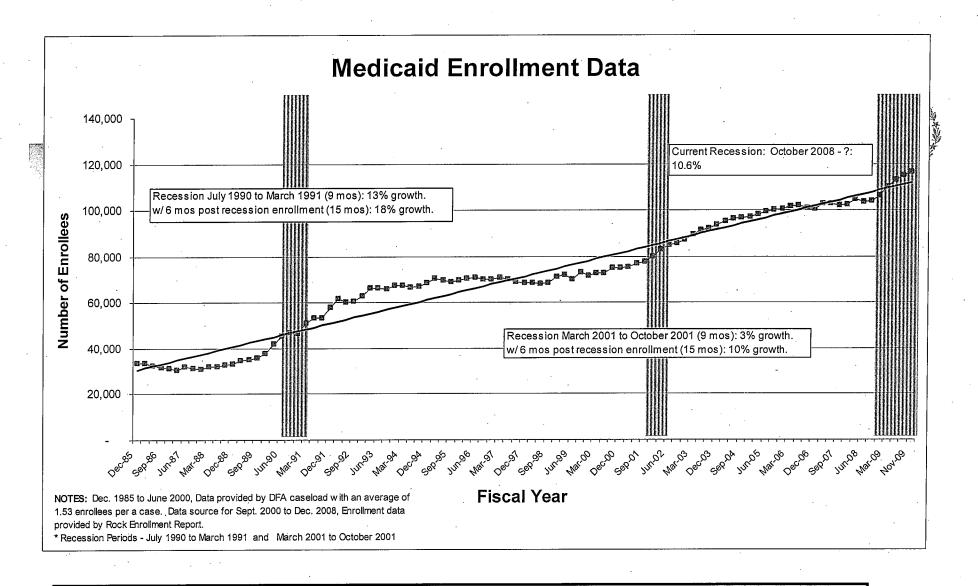


## Total Expenditures Vs Unduplicated Persons Served



Cost per client has declined in constant (2004 indexed) dollars.





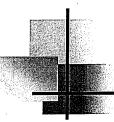
Historically, caseloads continue to rise six months post recession recovery, then plateau. Caseloads do not drop to pre-recession levels.



### SFY 09 Medicaid Summary



- 1 in 11.6 NH residents were Medicaid recipients
  - Regional differences are significant
    - From low of 5% of population to 18% of population
- Total spending of \$1.4B
  - Source of funds: 50.5% Federal, 30% General, 19.4% Other
- Eligibility groups served
  - Low income children and low income women
  - Adults with dependent child
  - Disabled: mental or physical
  - Elderly age 65+
- 4 Broad coverage areas
  - Comprehensive health and preventative services for children to 21yo
  - Acute care for some parents of low income children
  - Acute and long term care services for special needs populations
  - Wrap around services for those "dual eligibles"



### SFY 09 Medicaid Summary



- SFY 09 total expenditures of \$1.4B
  - 76% for Provider payments
  - 18% for Disproportionate Share Hospital
  - 5% for Program administration
- Provider payments are based on a "fee for service" model across all covered beneficiaries
- Aggressive use of managed care techniques to contain costs while improving quality, among the tools used are:
  - Prior authorization and utilization management
  - Service limits
  - Pharmacy Benefit Management
  - Concurrent review and discharge planning



### SFY 09 Medicaid Summary

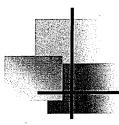


### Spending by Class of Service

Home and Community Based Care	27.5%
Nursing level care	21.5%
Mental health services	10.1%

Above three classes ~60% of provider payments But represent ~21% of enrolled

<ul><li>Hospital inpatient</li></ul>	6.8%
<ul><li>Hospital outpatient</li></ul>	7.3%
Prescription drugs	8.7%
Physician services	5.1%



# Spending by Eligibility Category



TAX AND TAX THE CONTROL OF T	Enrolled	%		Spend	%
Low Income Child	90881	56.1%	\$	219,434,428	22.4%
Low Income Adult	24524	15.2%	\$	75,650,747	7.7%
Severely Disabled Child	1760	1.1%	\$	36,493,225	3.7%
Disabled Physical	10277	6.3%	\$	190,326,010	19.5%
Disabled Mental	12385	7.7%	\$	207,105,503	21.2%
Elderly	11699	7.2%	\$	243,738,217	24.9%
QMB/SLMB	10385	6.4%	. \$	4,710,396	0.5%

QMB: Qualified Medicare Beneficiary/SLMB: Special Low Income Beneficiary

Total SFY PP of \$977,458,526 for services 7/1/08-6/30/09



### SFY 10 Total Costs (\$000's)

Direct Service\_Institutions \$94,877 Total Spending of \$1,951,215

5.6%

Enrolled Providers

\$1,125,035

Contracted Services

\$217,178

Field Operations

\$51,710

Cash Assistance

\$61,147

Service Delivery Management

Medicaid Enhancement \$292,663

79.4%

\$33,486

Administration

\$18,308

IT Systems\_MMIS Ops

\$33,870

Human Resources

\$2,003

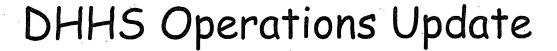
Legal, Regulatory, Audits

\$21,138

\$108,805 Administration

\$1,549,747 Direct Services

9



Agency Budget Summary
The Dashboard
Audits
Litigation
Key Operational Issues



# Agency Budget Summary

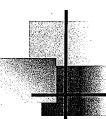


	Α	В	C	D	E	F	G			
. 5			(Rounded to \$000)	GENERAL FUNDS						
6				FY10	FY11	FY12	FY13			
7			AGENCY MAINTENANCE			. /				
8										
9	HEA	LTH & N	MEDICAL SERVICES							
10		DIVISIO	N OF PUBLIC HEALTH SERVICES	, \$14,036	\$15,952	\$17,124	\$17,136			
11		OFFICE	OF MEDICAID & BUSINESS POLICY	\$172,892	\$198,095	\$257,119	\$282,220			
12		DCBCS	-BUREAU DRUG & ALCOHOL SERVICES	\$6,107	\$6,577	\$6,662	\$6,711			
13		DCBCS	-BUREAU OF BEHAVIORAL HEALTH	\$42,485	\$42,884	\$62,379	\$64,557			
14		NEW H	AMPSHIRE HOSPITAL	\$46,954	\$50,862	\$55,360	\$55,921			
15			SUB-TOTAL HEALTH & MEDICAL SERVICES	\$282,473	\$314,369	\$398,645	\$426,545			
16			Percent Increase From Prior Year		11.3%	26.8%	7.0%			
17			INCREASE WITHOUT ARRA		\$54,958	7.9%	7.0%			
18	LON	IG TERN	/I CARE							
19		DCBCS	BUREAU OF ELDERLY & ADULT SERVICES	\$47,048	\$53,269	\$76,685	\$83,890			
20		DCBCS	BUREAU OF DEVELOPMENTAL SERVICES	\$82,534	\$97,180	\$135,397	\$144,681			
21		<b>GLENC</b>	LIFF HOME	\$12,548	\$13,959	\$15,160	\$15,288			
22			SUB-TOTAL LONG TERM CARE	\$142,130	\$164,408	\$227,242	\$243,859			
23			Percent Increase From Prior Year		15.7%	38.2%	7.3%			
24			INCREASE WITHOUT ARRA		\$30,300	16.7%	7.3%			



# Agency Budget Summary

	Α	В	С	D	E	F	G				
5			(Rounded to \$000)	GENERAL FUNDS							
6				FY10	FY11	FY12	FY13				
7			AGENCY MAINTENANCE				•				
8						·					
25	SO	CIAL SEI	RVICES								
26		DIVISIO	ON OF CHILDREN, YOUTH & FAMILIES	\$55,450	\$60,134	\$65,591	\$66,491				
27		DIVISIO	ON FOR JUVENILE JUSTICE SERVICES	\$20,494	\$20,725	\$22,649	\$22,977				
28		DIVISIO	ON OF FAMILY ASSISTANCE	\$50,794	\$48,750	\$64,657	\$65,570				
29		BUREA	U OF HOMELESS & HOUSING SERVICES	\$4,087	\$4,032	\$4,354	\$4,422				
30		TOBEY	SCHOOL	\$779	\$0	\$0	\$0				
31		DIVISIO	ON OF CHILD SUPPORT SERVICES	\$4,580	\$4,154	\$5,055	\$5,079				
32		OFFICE	OF OPERATION SUPPORT-LEGAL&OMBUDS	\$2,622	\$2,839	\$3,215	\$3,225				
33			SUB-TOTAL SOCIAL SERVICES	\$138,806	\$140,633	\$165,521	\$167,765				
34			Percent Increase From Prior Year		1.3%	17.7%	1.4%				
35			INCREASE WITHOUT ARRA		\$7,210	12.0%	1.4%				
36	ΑDΝ	MINISTR	ATION								
37		OFFICE	OF THE COMMISSIONER	\$24,843	\$27,904	\$15,561	\$15,806				
38		MEDICA	AID ENHANCEMENT	\$0	\$0	\$0	. \$0				
39		OFFICE	OF OPERATION SUPPORT-OTHER	\$2,478	\$2,531	\$2,820	\$2,836				
40		OFFICE	OF IMPROVEMENT & INTEGRITY	\$2,974	\$3,240	\$3,516	· \$3,542				
41		OFFICE	OF INFORMATION SYSTEMS	\$0	\$0	\$21,271	\$19,873				
42		OMBP-I	MMIS	3,149	3,620						
43		PROGR	RAM DIVISIONS	\$20,260	\$22,537	\$18,719	\$19,045				
44			SUB-TOTAL ADMINISTRATION	\$53,704	\$59,832	\$61,888	\$61,101				
45			Percent Increase From Prior Year		11.4%	3.4%	-1.3%				
46			Rounding & Last Minute Changes	(\$9)	\$1	(\$2)	(\$4)				
47	TOT	TAL AGE	NCY MAINTENANCE	\$617,104	\$679,244	\$853,293	\$899,266				
48		. 1	Percent Increase From Prior Year		10.1%	25.6%	- 5.4%				
49			INCREASE WITHOUT ARRA		\$93,863	10.4%	5.4%				



### The Dashboard

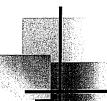


- 4 Components
  - Narrative on current operations
    - Major factors impacting operations
  - Budget management summary (projected surplus\_deficit)
    - Required reductions or shortfalls to address
    - Actions taken to address shortfalls or reductions
  - Client metrics by key service populations
    - Caseload trends from SFY 09 to present
  - Update on business change initiatives

-	. A	В	С	T 6 1			<del></del>	r –	· 		· · · · · · · · · · · · · · · · · · ·	· · · · · · · · · · · · · · · · · · ·					
1		Г	<u> </u>	l D	<u>Е.</u>	F	J G	<u> </u>	<u> </u>	<u> </u>	K	L	. M	N.	0	P	Q
2			·			·	<del></del>		Table K						·	<del></del>	
3				÷	· · · · · · · · · · · · · · · · · · ·		Depa	rtment of I	lealth and	Human Se	rvices						
4	*******	١ا		<del>,</del>	·		Casel	oads Vers	us Prior Ye	ar & Prior	Month						
5		11-4	uplicated Per	1 1	<del> </del>				<u> </u>								· · · · · · · · · · · · · · · · · · ·
6		Actual	Vs PY	Vs Pmo		licald Pers			ANF Perso			PTD Perso		SNAP Persons			CHIP
7		Actual	VSFI	ASTITO	Actual	Vs PY	Vs Pmo	Actual	Vs PY	Vs Pmo	Actual	Vs PY	Vs Pmo	Actual	Vs PY	Vs Pmo	Silver
8	Jul-08	125,236	7.5%	<del></del>	103,667	·							· .		1		
9	Aug-08	125,668	7.4%	0.3%	103,657	0.0 0.0	0	10,539	-2.0%	(0)	6,905	10.1%	0	64,961	8.7%	0	7,808
10	Sep-08	126,083	8.2%	0.3%	103,055	. 0.0	0.0%	10,851	0.5%	3.0%	.6,793	8.0%	-1.6%	65,380	8.9%	0.6%	7,886
11	Oct-08	127,869	9.3%	1.4%	105,278		0.3%	10,911	3.0%	0.6%	7,052	11.8%	3.8%	66,087	10.4%	1.1%	7,966
12	Nov-08	128,291	9.1%	0.3%	105,276	0.0	1.3%	11,314	7.2%	3.7%	7,144	12.5%	1.3%	68,114	′, 12.8%	3.1%	8,024
13	Dec-08.	129,830	10.5%	1.2%	106,153	0.0	-0.1%	11,630	8.4%	2.8%	7,168	12.0%	0.3%	69,380	13.8%	1.9%	8,213
14	Jan-09	131,088	10.6%	1.0%	106,270	0.0	1.1% 0.5%	11,984	12.0%	3.0%	7,245	12.7%	1.1%	71,544	16.7%	3.1%	8,298
15	Feb-09	132,234	11.2%	0.9%	107,889	0.0		12,347	14.1%	3.0%	7,299	12.3%	0.7%	73,617	17.8%	2.9%	8,280
16	Mar-09	.134,457	9.5%	1.7%	109,952	0.0	1.0% 1.9%	12,452 12,515	14.4%	0.9%	7,356	11.4%	0.8%	74,708	18.1%	1.5%	8,264
17	Apr-09	136,801	9.4%	1.7%	111,963	0.0	1.8%		16.0%	0.5%	7,453	11.7%	1.3%	77,441	20.8%	3.7%	7,479
18	May-09	137,510	9.5%	0.5%	112,211	0.1	0.2%	13,308 13,230	22.4%	6.3%	.7,544	11.4%	1.2%	79,276	22.3%	2.4%	7,510
19	Jun-09	138,705	11.2%	0.9%	113,044	0.1	0.2%		23.6% .	-0.6%	7,630	12.6%	1.1%	81,376	26.0%	2.6%	7,559
20	Jul-09	140,420	12.1%	1.2%	113,861	9.8%	0.7%	13,236 13,377	25.5%	0.0%	7,758	13.2%	1.7%	83,789	29.9%	3.0%	7,654
21	Aug-09	141,132	12.3%	0.5%	114,030	10.0%	0.1%	13,377	26.9%	1.1%	7,855	13.8%	1.3%	86,848	33.7%	3.7%	7,726
22	Sep-09	142,381	12.9%	0.9%	114,862	10.5%	0.1%		24.4%	0.9%	7,935	16.8%	1.0%	89,211	36.4%	2.7%	7,706
23	Oct-09	143,697	12.4%	0.9%	115,976	10.5%	1.0%	13,771 13,787	26.2%	2.0%	8,022	13.8%	1.1%	91,820	38.9%	2.9%	7,763
24	Nov-09	144,519	12.6%	0.6%	116,291	10.6%	0.3%	13,787	21.9% 19.8%	0.1%	8,127	13.8%	1.3%	94,750 4	39.1%	3.2%	7,825
25	Dec-09	145,758	12.3%	0.9%	117,171	10.3%	0.8%	14,288		1.0%	8,221	14.7%	1.2%	96,745	39.4%	2.1%	7,939
26	Jan-10	146,491	11.8%	0.5%	117,326	9.8%	0.6%	14,288	19.2%	2.6%	8,288	14.4%	0.8%	99,238	38.7%	2.6%	8,021
27	Feb-10	147,414	11.5%	0.6%	118,060	9.4%	0.6%	14,592	16.6%	0.7%	8,337	14.2%	0.6%	101,013	37.2%	1.8%	8,073
28	Mar-10	149,065	10.9%	1.1%	118,906	8.1%	0.7%	14,522	16.6%	0.9%	8,412	14.4%	0.9%	102,777	37.6%	1.7%	8,020
29	Apr-10	149,947	9.6%	0.6%	119,503	6.7%	0.5%	14,587	16.6%	0.4%	8,481	13.8%	0.8%	105,100	35.7%	2.3%	8,030
30	May-10	150,236	9.3%	0.2%	119,197	6.2%	-0.3%	14,244	9.7%	0.1%	8,557	13.4%	0.9%	106,312	34.1%	1.2%	8,083
31	Jun-10	150,331	8.4%	0.1%	119,121	5.4%	-0.1%	14,181	7.7%	-2.4%	8,556	12.1%	0.0%	108,139	32.9%	1.7%	8,157
32	Jul-10	150,572	7.2%	0.2%	118,831	4.4%	-0.1%	13,920	7.1% 4.1%	-0.4%	8,615	11.0%	0.7%	108,677	29.7%	0.5%	8,260
33	Aug-10	151,231	7.2%	0.4%	118,841	4.2%	0.0%	13,920	3.6%	-1.8%	8,617	9.7%	0.0%	109,131	25.7%	0.4%	8,303
34	Sep-10	151,609	6.5%	0.2%	119,213	3.8%	0.3%	14,065	2.1%	0.4% 0.6%	'8,643 <sup>-</sup>	8.9%	0:3%	109,950	23.2%	0.8%	8,320
35	Oct-10	151,486	5.4%	-0.1%	118,770	2.4%	-0.4%	13,615	-1.2%		8,650	7.8%	0.1%	110,588	20.4%	0.6%	8,371
36	Nov-10	151,906	5.1%	0.3%	118,882	2.2%	0.1%	13,553	-1.2%	-3.2%	8,656	6.5%	0.1%	110,694	16.8%	0.1%	8,424
37	Dec-10	152,991	5.0%	0.7%	119,845	2.3%	0.1%	13,789	-3.5%	-0.5%	8,667	5.4%	0.1%	111,476	15.2%	0.7%	8,538
38	Jan-11			0.7 70	110,040	2,3 /0	0.076	13,709	-3.5%	1.7%	8,749	5.6%	0.9%	112,293	13.2%	0.7%	8,617
39	Feb-11						<del></del>			·							
40	Mar-11												<u>.</u>	·			
41	. Apr-11			——— <u>—</u>													
42	May-11																
43	Jun-11					·											
44	. = =::: 1					<del></del>											
			<del></del>		<del></del>			· · · ·	<del></del>	ا ب	<u> </u>						

Surplus   Surp
Surplus   Projected
A   (\$1,016)   (\$300)   (\$300)     A   (\$1,016)   (\$1,016)     A   (\$1,016)   (\$1,01
Color   Colo
A   (\$1,016)   (\$1,016)
S3,000  (\$3,000  (\$3,000  )
ar Payments (incl
r Payments (incl
S4,512   S4,480   S5,733   S1,096   S1,372   S2,346   S2,346   S2,346   S2,346   S1,996   S1,916   S
re Payments (incl.   \$4,512   \$4,480   \$5,733   \$7,733   \$7,849   \$7,733   \$7,733   \$7,733   \$7,733   \$7,733   \$7,733   \$7,733   \$7,733   \$7,733   \$7,733   \$7,733   \$7,733   \$7,733   \$7,733   \$7,733   \$7,733   \$7,733   \$7,733   \$7,733   \$7,733   \$7,733   \$7,733   \$7,733   \$7,733   \$7,733   \$7,733   \$7,733   \$7,733   \$7,734   \$7,734   \$7,734   \$7,734   \$7,734   \$7,734   \$7,734   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744   \$7,744
SA 512   S4 480   S5 733   S1 731   S1 731   S2 867   S3 ,066   S1 (372   S4 480   S1 737   S3 ,066   S1 (372   S2 807   S1 ,096   S1 (372   S2 807   S1 ,096   S1 ,137   S2 807   S1 ,096   S2 807   S1 ,137   S2 807
St. 7480   St. 759   St.
STATE   STATE   STATE   STATE   STATE
STATE   STATE   STATE   STATE   STATE
ST97   S1,096   S1,372
\$60 \$50 \$50 \$50 \$50 \$50 \$50 \$50 \$50 \$50 \$5
State   Stat
S1,167   S1,166   S1,167   S2,167   S2,168   S
## (\$250) (\$357)  \$384 \$773  \$384 \$773  \$384 \$773  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$3857  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387  \$387
8.2384 \$773 \$457.  (\$1,697) (\$1,068) (\$1,054) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$
(\$1,697) (\$1,068) (\$1,051) (\$1,051) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3,993) (\$3
(\$1,897) (\$1,068) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3,893) (\$3
(\$1,697) (\$1,068) (\$1,051)       (\$5,790) (\$3.948) (\$3.893)       \$34
stance         (\$5,790)         (\$3,948)         (\$3,893)         F & \$5.99           stance         \$196         \$199         \$265         \$265           vices         \$196         \$199         \$265         \$265           vices         \$196         \$199         \$265         \$265           stance         \$1,481         \$2,4961         \$27,919         \$23,116         \$4,961         \$7,919           cated Reductions         \$3,116         \$4,961         \$7,919         \$2,319         \$2,4961         \$27,919
stance   \$34 \$564 \$709
stance         \$196         \$199         \$205           vices         \$196         \$199         \$205           vices         \$800         \$800         \$800           cated Reductions         \$1,481         \$7,919           cated Reductions         \$3,116         \$4,961         \$7,919           cated Reductions         \$3,116         \$4,961         \$7,919
S800   S800   S800   S800   S800   S800   S1,481   S1,481   S2,116   S4,961   S7,919   S2,116   S4,961   S7,819   S1,116   S4,961   S7,819   S1,116   S4,961   S7,819   S1,116   S4,961   S7,819   S1,116   S4,961   S1,819   S1,8
vices         \$800         \$800         \$800           \$1.481         \$1.481         \$7.919           dated Reductions         \$3,116         \$4,961         \$7,919           \$3,116         \$4,961         \$7,919           \$3,116         \$4,961         \$7,919
\$1,481 \$3,116 \$4,961 \$ \$3,116 \$4,961 \$ \$4,961 \$
\$3,116 \$4,961 \$3,116 \$4,961 st quarter continues for balance of year.
\$3,116 \$4,961 \$3,116 \$4,961 st quarter continues for balance of year.
\$3,116 \$4,961 \$3,116 \$4,961 st quarter continues for balance of year.
\$3,116 \$4,961 st quarter continues for balance of year.
27
les experience of first quarter continues for balance of year.
les experience of tirst quarter continues loi benaine of year.

~8606146.xis



### Caseloads\_Utilization\_Rates



#### Enrollment Growth

SFY 2010

Agency Request:

3.9 %

Updated Request 4/09: 1.95 %

Approved Budget:

0 .975%

SFY 2010 Actual:

5.3%

#### SFY 2011

Agency Request:

3.50%

Updated Request 4/09: 1.75%

Approved Budget:

0.875%

#### Utilization Growth

SFY 2010

Agency Request: 1.8 %

Approved Budget: 0.43%

SFY 2010 Actual: 6.02%

#### SFY 2011

Agency Request: 1.3 %

Approved Budget: 0.49%

#### Cost Growth

SFY 2010

Agency Request: 10.51%

Approved Budget: 2.9%

SFY 2010 Actual: 4.75%

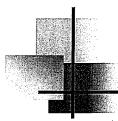
#### SFY 2011

Agency Request:

11.72%

Approved Budget:

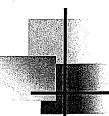
.31%



### External Audits



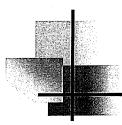
- Since 2001-95 audits/reviews by outside entities
  - OIG-20, LBA/KPMG-20, CMS-17, USDA-9, ACF-6
  - 588 findings (corrective action complete on 80%)
- LBA Audits
  - Bureau of Elderly and Adult Services
  - Bureau of Behavioral Health
  - New Hampshire Hospital (in progress)
  - Glencliff Home (in progress)
- OIG has been funded to audit ARRA, we can expect an onsite presence.



### Key Performance Indicators

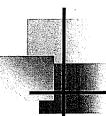


- Maximize financial resources
- Maximize human resources
- Monitor population demographics, trends, caseloads and baseline measures of health and well being in the population
- Populations have access to and are receiving primary and preventative care
- Populations are assessed for need and are provided an appropriate level of care
- Services are available and accessible to populations in need
- Services are of high quality
- Levels of care decrease over time with corresponding increase in selfsufficiency or health outcomes
- Populations have a high quality of life and remain in their communities
- Populations do not suffer relapse, recidivism, readmissions or referrals after discharge and case closure
- DHHS can measure client, provider and staff satisfaction



# Moving from Process Measures to Outcome Measures

- Key Performance Indicators (KPI)
  - Performance management initiative
- Most current metrics on Dashboard are process focused
- Asking number of questions on outcomes, results and other metrics demonstrating movement to greater health and independence
- Challenge will be to define measures, and ability to capture, report and adapt



### Key Operational Challenges



- Relationship of the economy and DHHS operations
- Client complexity
- System imbalances
- Outdated and expensive to maintain technology infrastructure
- Uncompensated care for mental illness, uninsured
- Workforce capacity: agency, provider networks
- Disproportionate Share Hospital (DSH)
- ARRA funding expires
- Affordable Care Act (ACA)
- Centers for Medicare and Medicaid Services (CMS)
- Medicaid Management Information System (MMIS)
- Litigation: current and potential



### Preparing for the Future

Major factors impacting budget development
Budget strategy
Changing the business model



### Factors In Budget Development



- Many of the current challenges are factors in developing the 12/13 budget
  - Relationship of the economy and DHHS operations
    - Client complexity
  - System imbalances
  - Aging technology infrastructure
  - Uncompensated care
  - Workforce capacity: agency, provider networks
  - Disproportionate Share Hospital (DSH)
  - Affordable Care Act (ACA)
    - Centers for Medicare and Medicaid Services (CMS)
  - Changing our business model
  - Regional Differences



### DHHS Strategies



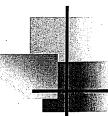
- Segment the population by primary need and level of intervention
  - Whole person framework
    - Mental illness in children and adults
    - Developmental and physical disabilities in children and adults
    - Long-term care for the elderly
    - Safety, protection, and safety net for children and families
    - Population health
- Deliver service through regional, integrated delivery systems that are person/family centered
- Enabled by payment structure that realigns
- Spanning everything is commitment to reduce the cost structure and be as efficient as possible while maximizing value of funds directed to care of the clients



### Business Change Initiatives



- Must change our fundamental business model
  - Client Focus:
    - Who do we serve, why and to what end?
    - How do we maintain high quality and value based outcomes?
  - Access:
    - How people access services? Where? How?
  - Value Purchasing:
    - How services are delivered?
  - Care Management:
    - How do we coordinate and pay for services?
  - Organization:
    - How our organization is aligned to the key population segments?
    - How to effectively use technology to improve client outcomes, streamline process and reduce costs?



### Client Focus



- Objective: focus on client to achieve value based outcomes
- Segmentation by population and need
  - MH, DD, Elderly, Children and Families, General Population
- Reframe budget around these segments
- Using a whole person view
- Prioritize populations, services and actions
- Evolve the delivery system
  - Consolidate contracts and gain greater EOS
  - Integrate and consolidate around client outcome
- Evolve the payment model
  - Risk based Accountable care, managed care models



### Access



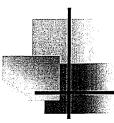
- Objective: restructure and modernize how clients access services
- Among the portfolio of projects being worked
  - NH EASY
  - Document imaging
  - Centralized long-term care
  - District Office regionalization
    - Telework pilot



### Value Purchasing



- Objective: realign service delivery system
  - Regional, integrated, consolidation
- Among the portfolio of projects being worked
  - Centralizing contract operations (LEAN effort)
  - Contract consolidation
  - Integrated and regional contracting
  - Bundled payment
  - Competitive bidding for select services



### Care Management



- Objective: achieve best value in outcomes
- Among the portfolio of projects under consideration or in progress
  - Case management
  - Managed care
  - Payment reform effort in mental health services
  - Accountable Care Organization pilots



# Organization and Technology

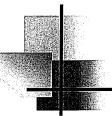


- Objective: restructuring organization, implementation of technologies to reduce cost, improve efficiencies
- Among the projects in progress
  - LEAN initiative Department wide
  - Health Information Exchange
  - Speech to Text
  - Video conferencing
  - Voice Over Internet Protocol (VOIP)
  - Document imaging
  - Laboratory Information Management System
  - Data analysis tools



### Next Steps

Governor's budget development
Division III
Ongoing management of SFY 11



### Thank You





NToumpas@DHHS.State.NH.US (O) 603-271-4331, (C) 603-545-4995